<u>REMARKS</u>

Request for Continued Examination under 37 CRF § 1.114

The Applicants respectfully request further examination and reconsideration (under 37 CRF § 1.114) in view of the above amendments to the claims. Previously presented claims 37-54 have been respectively amended as indicated above and below.

Amendments to the Claims:

Claims 1-36 were previously cancelled, and were replaced with new claims 37-52 in the Response (filed Sept. 26, 2007) to the Office action dated July 19, 2007.

"New claims" 37-52 (as presented on Sept. 26, 2007) are hereby amended, as indicated in the above "Claims Listing".

No new matter has been added to the claims by way of the above amendments.

Rejection of Claims under 35 U.S.C. § 101:

In the Office action dated December 31, 2007, independent claims 37, 43 and 49 were rejected under 35 U.S.C. § 101 for the reasons set forth at page 2 of the Office action.

Claims 37, 43 and 49 have been amended as indicated above, and specifically: (1) to use verbs (e.g., "pay", "provide", etc.) which are in no way "abstract"; and (2) to remove any language which might in any way be construed as "optional". The Applicants contend that the claims, as amended, recite patentable subject matter under 35 USC § 101. For example, with respect to Flowchart 6.B of the *Patent Office Software Related Invention Guidelines*:

- None of claims 37, 43 or 49 recite "Functional descriptive material",
 "Nonfunctional descriptive material", or "a natural phenomenon".
- With respect to claims 37 and 43, these claims recites "A series of steps to be performed on a computer", and also "Manipulates data [here, payment data] representing physical objects or activities [here, "goods"] to achieve a practical application (pre-computer process activity)" [here, the goods are provided by the most-upstream node supply chain participant before the computer activity takes place].
- With respect to claim 49, this claim recites "A machine or manufacture for performing a process" [here, "networked computer system"], and also meets the limitations of "Manipulates data representing physical objects or activities to achieve a practical application (pre-computer process activity)", as per claims 37 and 43.

Accordingly, each of claims 37, 43 and 49 now recite statutory subject matter. The Applicants therefore request that the rejections of claims 37, 43 and 49 under 35 USC § 101be removed.

Rejection of Claims under 35 U.S.C. § 103(a):

In the Office action dated July 5, 2007, claims 37-54 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Pat. No. 6,889,197 ("Lidow") in view of U.S. Pat. No. 5,732,400 ("Mandler").

The Applicants contend that the claims, as amended above, are not obvious in view of Lidow and Mandler. Specifically, claim 37 (and claims 43 and 49, in slightly varying language), has been amended to now recite that the following limitations:

pay <u>each</u> individual supply chain participant <u>a payment covering</u> one or more of value-added costs or logistic services added by such individual supply chain participant, <u>said payment excluding any payment previously made</u> to the most-upstream node supply chain <u>participant and to any individual supply chain participant that is more upstream than such individual supply chain participant.</u>

(Emphasis added.)

That is, the method of claim 37 (and the software of claim 43, and the system of claim 49) pay each supply chain participant for the value added costs or logistical services provided by that supply chain participant, but <u>not</u> for any value added by a previous supply chain participant. This limitation is not shown in either Lidow or Mandler. Specifically, Lidow and Mandler provide only for payment of the <u>full</u> value of the goods to each supply chain participant.

For at least this reason the Applicants contend that claims 37-54, as variously amended, now recite novel and non-obvious limitations neither taught nor suggested by the prior art. The Applicants therefore request that claims 37-54 be allowed.

(Continued on next page.)

<u>SUMMMARY</u>

The Applicants respectfully request allowance of claims 37-54, as presented above. The Examiner is invited to contact the Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Respectfully submitted,

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